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TAGS: EFIN ECON PGOV I2

SUBJECT: GOI PROPOSAL FOR NEW ASSISTANCE COORDINATION MECHANISM

REF: A. BAGHDAD 2336

1B. BAGHDAD 1221

(This message is sensitive but unclassified; please protect accordingly.)

11. (SBU) Summary: At an August 26 Iraq Partners Forum (IPF) meeting, Ministry of Planning Director General for International Cooperation Huda Malik proposed to move Iraq's assistance coordination function from her ministry to a higher body, such as the Prime Minister's Office. She said the new entity should deal with strategic issues and establish aid policy within the GOI. Malik also called for the international donor community to harmonize its efforts with this proposed GOI entity. She commented that it may be difficult to get the GOI to take formal action on any new plan before the January national election, but encouraged the donor community to engage with GOI technocrats so that the next government would be ready to take action. End Summary.

12. (SBU) At a well-attended August 26 Iraq Partners Forum (IPF) meeting (Ref A), the Ministry of Planning and Development Cooperation (MoPDC) Director General for International Cooperation, Huda Malik, presented her proposal for a new GOI assistance coordination mechanism. Ms. Malik previously told us in private that she was working on this plan (Ref B), but this was her first formal presentation outside of the GOI. She prefaced her remarks with a thorough description of previous assistance coordination efforts in Iraq since 2003.

Six Years of Lessons Learned

13. (SBU) Malik said that the most important lesson learned in the last six years of reconstruction efforts was that political stability leads to security which allows for reconstruction. Other problems or lessons learned identified by Malik included:

-- The failure of past donor and assistance coordination efforts were due more to political instability than failures in process. With a fragile immature political system, institutions remained weak and there was no neutral space for a reconstruction dialogue.

-- Past efforts at institution building focused on training of personnel and not capacity development of the institution.

-- Previous attempts at assistance coordination, under the National Development Strategy (NDS) or International Compact with Iraq (ICI), did not properly prioritize goals.

-- The only official GOI point of contact for assistance coordination since 2003 has been the Iraq Strategic Review

Board (ISRB). This Board, on which Malik serves as the Executive Secretary, was supposed to give strategic guidance to the donor community but ended up just reviewing individual projects. Because the USG exempted itself from submitting projects for review to this Board in 2003, the Board was hobbled from the start.

-- Parallel mechanisms such as the ICI created confusion over who had the lead for assistance coordination, and confusion still exists between the national and provincial levels.

-- Because there is no unified Iraqi entity that deals with the international community on assistance coordination, donors have taken the lead on assistance priorities without GOI involvement. The only exception was the International Reconstruction Fund Facility for Iraq (IRFFI), with Iraqi participation throughout the process, but the amount provided under this mechanism was only a small portion of the total assistance.

-- The donor community did not provide enough information to the GOI on the monetary value of its assistance, which would have allowed the GOI to track donor assistance along with its own revenues and expenditures.

The Way Forward:
Start with Paris Declaration...

¶4. (SBU) Malik said that any new way forward on assistance coordination must use the Paris Declaration on Aid

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Effectiveness as a starting point. The GOI must take the lead on reconstruction programs, she said, which will entail GOI political will and commitment. This will help ensure the success of the international donor community's assistance efforts.

...And Create a New Entity in PM's Office

¶5. (SBU) Giving aid management to a single ministry is not a good idea in Iraq at this time, Malik said, adding that too many sensitive issues between ministries and other GOI bodies persist. She proposed creating a new entity that belongs to the Prime Minister's office, to ensure that instructions on assistance coordination are carried out. She said that, under her plan, this entity would deal primarily with strategic, not technical, issues on assistance coordination. This entity would establish aid policy for Iraq by reviewing all of the various strategies and the international donors, engagement with Iraq.

¶6. (SBU) Under this entity in the Prime Minister's office, Malik recognized the need for a technical entity, or sub- and ad-hoc committees to focus on specific sectoral issues in assistance coordination. Additionally, Malik called for the international community to harmonize its efforts and synchronize with this proposed GOI entity. She noted that there could still be a need for various strategies such as the ICI and National Development Plan (NDP), but said the GOI needs to have one coordination mechanism for all incoming assistance.

¶7. (SBU) Malik said she has circulated the Arabic version of her proposal within the GOI, and that an English translation would be circulated shortly among the international community. She conceded that it may be difficult to get the GOI to take formal action on any plan before the election, but encouraged the donor community to engage with the technocrats in the GOI so that the incoming government would be ready to take action.

¶8. (SBU) Comment: Malik's proposal, and her willingness to actually suggest removing a politically powerful function from her own ministry, is a welcome breath of fresh air. If the GOI accepts her proposal, the international community may be able to better coordinate its assistance efforts with the government and better target priority areas. With little appetite for any new initiatives in the run-up to the elections, however, it remains to be seen whether her proposal will catch any traction with the current government.

We will continue to track the development and progress of her proposal and urge the GOI to plan for continuity and transparency in any assistance coordination mechanisms in this administration and the next.

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